

# **AMPLEFIELD LIMITED**

## **BOARD CHARTER**

### **1. PURPOSE OF THE CHARTER**

1.1 This Board Charter (“Charter”) sets out the role, functions, composition, operation, process and responsibilities of the Board of Directors of Amplefield Limited (“Amplefield” or “the Company”) within the governance structure of Amplefield and its wholly owned subsidiaries (“Amplefield Group”). The conduct of the Board is also governed by the Company's Constitution (“Constitution”).

1.2 This Board Charter would act as a source reference and primary induction literature to provide insights to prospective Board members and senior management. In addition, it will assist the Board in the assessment of its own performance and of its individual Directors and is to ensure that all Board members acting on behalf of the Company are aware on their duties and responsibilities as Board members.

### **2. BOARD OF DIRECTORS**

2.1 Article 89 of Amplefield provides for a minimum of not less than one (1) director. At any one time, at least two (2) or one-third (1/3), whichever is higher, of the Board members are Independent Directors. The Independent Directors provide independent judgment, experience and objectivity without subordinated to operational considerations. They help to ensure that the interests of all shareholders are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.

2.2 The Board may appoint the Independent Chairman or a Senior Independent Director who will also attend to any query or concern raised by shareholders.

2.3 The composition and size of the Board are reviewed from time to time to ensure its appropriateness. Where possible, the majority of the Board shall comprise non-executive directors determined by the Board to be independent.

2.4 The appointment of a new Director is a matter for consideration and decision by the full Board, upon the recommendation from the Nomination Committee. In making these recommendations, the Nomination Committee will consider the required mix of skills, experience and diversity, including gender, where appropriate, which the Director bring to the Board. Article 122 of the Constitution of the Company provides that every newly appointed Director be subjected to re-election at the immediate Annual General Meeting (“AGM”).

2.5 At the Annual General Meeting, one-third (1/3) of the Directors for the time being, or if their number is not a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office. A retiring Director shall be eligible for re-election. The names of directors submitted for election or re-election should be accompanied by sufficient biographical details and any other relevant information to enable shareholders to take an informed decision on their election.

2.6 The Board should meet sufficiently regularly to discharge its duties effectively. The Board generally has at least five (5) regularly scheduled meetings in each financial year, with additional meetings to be convened as and when necessary.

2.7 All Directors will be provided with the performance and progress reports on a timely basis prior to the scheduled Board meetings. A full agenda of the meeting and all Board papers, including complicated issues or specific matters, would be distributed in advance to ensure Directors are well informed and have the opportunity to seek additional information, and are able to obtain further clarification from the Company Secretary, should such a need arise. Where necessary, the services of other senior management or external consultants will be arranged to brief and help the Directors clear any doubt or concern.

### **3. MATTERS RESERVED FOR THE BOARD**

3.1 Responsibility for implementing the strategic direction and management of the Company's day to day operations is delegated to the Executive Directors, who is accountable to the Board.

3.2 The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable. In carrying out its responsibilities, the Board undertakes to serve the interests of shareholders, employees, and the broader community honestly, fairly, diligently and in accordance with applicable laws.

3.3 The following are matters which are specifically reserved for the Board and they constitute the key responsibilities of the Board, namely to:

- (a) develop, review and monitor the Company's long term business strategies and provide strategic direction to the Management;
- (b) approves the budgets or forecast, major capital commitments, capital management, acquisition and divestment proposals;
- (c) satisfying itself that senior management has developed and implemented a sound system of risk management and internal controls in relation to financial reporting risks and has reviewed the effectiveness of the operation of that system;
- (d) reviews the Group's financial performance;
- (e) assessing the effectiveness of senior management's implementation of systems for managing material business risks, including the making of additional enquiries and to request assurances regarding the management of material business risks, as appropriate;
- (f) providing overall corporate governance of the Company and ensures that obligations to shareholders and other stakeholders are met;
- (g) ensuring compliance with legal, regulatory requirements (including continuous disclosure) and ethical standards;
- (h) monitoring and reviewing senior management's performance, remuneration packages and implementation of strategy;
- (i) reviews financial authorization limits in place for all major capital expenditures which require the Board's approval;
- (j) overseeing the Company's operations, including its control and accountability systems;
- (k) provide input into and final approval of management's development of corporate strategy and performance objectives;
- (l) review, ratify and monitor the Company's Code of Ethics and Conduct;
- (m) sets strategic aims and ensures that the necessary financial and human resources are in place to meet its objectives;
- (n) establishing a succession plan;
- (o) developing and implementing a shareholder communication policy for the Company; and
- (p) reviewing the adequacy and the integrity of the management information and internal controls systems of the Company and Group.

### 3.4. Role of Chairman

The Chairman is responsible for:

- a) leading the Board in setting the values and standards of the Company;
- b) the leadership of the Board and ensuring its effectiveness on all aspects of its role and setting its agenda;
- c) maintaining a relationship of trust with and between the Executive and Non-Executive Directors;
- d) ensuring the provision of accurate, timely and clear information to Directors;
- e) ensuring effective communication with shareholders and relevant stakeholders;
- f) arranging regular evaluation of the performance of the Board, its Committees and individual Directors;
- g) facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations be maintained between Executive and Non-Executive Directors;
- h) facilitating the ongoing development of all Directors;
- i) to lead the Board and ensure its effectiveness of all aspects of its role;
- j) to ensure the efficient organization and conduct of the Board's function and meetings;
- k) to facilitate the effective contribution of all Directors at Board meetings;
- l) to promote constructive and respectful relations between Directors, and between the Board and Management; and
- m) to ensure effective communication with shareholders and relevant stakeholders.

### 3.5 Role of Executive Director

The Executive Directors are responsible for:

- a) to develop and implement corporate strategies for the Group;
- b) to supervise heads of divisions and departments who are responsible for all functions contributing to the success of the Group;
- c) to ensure the efficiency and effectiveness of the operation for the Group;
- d) to assess business opportunities which are of potential benefit to the Group;
- e) to bring material and other relevant matters to the attention of the Board in an accurate and timely manner;
- f) managing a team of executives responsible for all functions contributing to the success of the Group;
- g) ensuring that the Group has the appropriate risk management and internal control practices and policies in place;
- h) bringing material and other relevant matters to the attention of the Board in an accurate and timely manner; and overseeing shareholder communications.

### 3.6 Role of Non-Executive Directors

All Non-Executive Directors are encouraged to:-

- a) regularly update and refresh their skills, knowledge and familiarity with the Company;
- b) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice;

c) where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board, to the extent that they are not resolved; ensure that they are recorded in the Board minutes. On resignation, a Non-Executive Director should provide a written statement to the Chairman, for circulation to the Board, if they have any such concerns.

d) It is up to each Non-Executive Director to reach a view as to what is necessary in particular circumstances to comply with the duty of care, skill and diligence they owe as a director to the Company.

### 3.7 Board Committees

The Board may from time to time establish Committees as is considered appropriate to assist in carrying out its duties and responsibilities. The Board delegates certain functions to the following Committees to assist in the execution of its responsibilities:-

- (a) Audit Committee;
- (b) Remuneration Committee;
- (c) Nomination Committee; and
- (d) Risk Management Committee.

The Committees shall operate under clearly defined Terms of Reference. The Committees are authorized by the Board to deal with and to deliberate on matters delegated to them within their terms of reference, which are available for reference at the Company's website. The Chairman of the respective Committees reports to the Board on the outcome of the Committee meetings and such reports or minutes will be included in the Board papers.

### 3.8 Financial Reporting

In presenting the annual financial statements and quarterly announcements to the shareholders, including other price sensitive public reports and reports submitted to regulators, the Board aims to present a balanced and understandable assessment of the Group's position and prospects.

The Board ensures that the financial statements is prepared in accordance with the Companies Act and applicable approved accounting reporting standards, so as to give a true and fair view of the state of affairs of the Group and the Company.

### 3.9 Directors' Remuneration

The performance of Directors is measured by the Directors' contribution and commitment to both the Board and the Company. The Executive Directors' and senior management's remuneration will depend on the performance of the Group and the achievement of the goals set at the beginning of each financial year, upon finalization of the ensuring year's budget.

In the case of Non-Executive Directors, the level of remuneration reflects the contribution and level of responsibilities undertaken by the particular Non-Executive Director.

### 3.10 Directors' Training and Continuing Education

The Directors shall continue to update their knowledge and enhance their skills through appropriate continuing education programmes and life-long learning. This will enable Directors to effectively discharge duties and sustain active participation in the Board deliberations. The Board shall assess the training needs of the Directors from time to time.

#### **4. INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION**

The Board shall place great importance in ensuring the high standards of transparency and accountability in its communication to shareholders, as well as to potential investors, analysts and the public. The shareholders shall be informed of all material matters affecting the Company and Group. The ways of communication to shareholders and investors, amongst others, are as follows:-

- (a) timely announcements and disclosures made to the SGX, which includes quarterly financial results, material contract awarded, changes in the composition of the Group and any other material information that may affect investors' decision making;
- (b) press conference which is normally held after each Company AGM and/or Extraordinary General Meeting to provide the media an opportunity to receive an update from the Board on the proceedings at the meetings and to address any queries or areas of interest of the media; and
- (c) make available of the summary of the Group's investor relations activities during the financial year and additional corporate information and/or disclosures of the Group for reference on the website.

The AGM is the principal forum for dialogue with shareholders. At each AGM, a presentation is given by the Executive Directors and Group Financial Controller to explain the Group's strategy, performance and major developments to shareholders. The Board also encourages shareholders to participate in the question and answer session at the AGM.

#### **5. ACCESS TO INFORMATION AND INDEPENDENT ADVICE**

Directors have the right to seek independent professional advice in the furtherance of their service as directors, at the Company's expense, so as to ensure the Directors are able to make independent and informed decisions. Written approval must be obtained from the Executive Directors prior to incurring expense on behalf of the Company.

#### **6. CODE OF CONDUCT**

- 6.1 A director must act honestly, in good faith and in the best interest of the Company as a whole.
- 6.2 A director has to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office.
- 6.3 A director must use the powers of office for a proper purpose, in the best interests of the Company as a whole.
- 6.4 A director must recognise that the primary responsibility is to the Company's shareholders as a whole but should, where appropriate, have regard for the interests of all stakeholders of the Company.
- 6.5 A director must not make improper use of information acquired as a director.
- 6.6 A director must not take improper advantage of the position of director.
- 6.7 A director must not allow personal interests, or the interest of any associated person, to conflict with the interests of the Company.
- 6.8 A director has an obligation to be independent in judgment and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board of Directors.

6.9 Confidential information received by a director in the course of the exercise of their duties as a director of the Company remains the property of the Company and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the Company, or the person from whom the information is provided, or is required by law.

6.10 A director should not engage in conduct likely to bring discredit upon the Company.

6.11 A director has an obligation, at all times, to comply with the spirit, as well as the letter, of the law and with the principles of this Code of Conduct.

## **7. SECRETARY**

7.1 The Company Secretary will be the Secretary of the Board.

7.2 Under the direction of the Chairman, the Company Secretary's responsibilities include ensuring good information flows between members of the Board and the Board Committees, as well as facilitating the induction of new directors and assisting with each director's professional development, as required.

7.3 All directors have access to the advice and services of the Company Secretary.

7.4 The appointment and removal of the Company Secretary is a matter for decision by the Board as a whole.

## **8. MINUTES OF MEETING**

Proceedings of all meetings are minuted and signed by the Chairman or the Chairman of the meeting. Minutes of all Board meetings are circulated to directors and approved by the Board at the subsequent meeting.

## **9. REVIEW OF CHARTER**

The Board Charter has been reviewed by the Board on 20 December 2018. Any subsequent amendment to the Charter can only be approved by the Board. The Board will review this Charter periodically to ensure it remains consistent with the Board's objectives and responsibilities.

## **10. PUBLICATION OF THE CHARTER**

10.1 Key features of this Charter are to be outlined in the Annual Report; or

10.2 A copy of this Charter is to be made available on the Company's website [www.\\_\\_\\_\\_\\_.com](http://www._____.com).